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1.2 billion consumers in search of a brand

India has emerged as a trademark powerhouse in the global economy, says Jeroen Lallemand of Thomson CompuMark

It is estimated that India's middle class consumption is roughly equivalent to Ireland's total private consumption, and forecasters expect that number to triple over the next 15 years. As the country continues to reap the financial rewards of its remarkable technology, pharmaceutical and professional services industry growth, it has naturally caught the eye of the world's leading brand marketers. India is one of the next great frontiers of consumer spending and the opportunity to capitalise on that trend rests squarely on companies' ability to assert intellectual property rights in the region.

But just how serious have brand owners gotten about IP in India, and who have been the leading players making the most aggressive in-roads into claiming a slice of the trademark landscape? To find out, we dug into our SAEGIS databases to track trends in corporate trademarking activity over the past six years. We also sought the input of IP specialists working in India to gain a better understanding of the challenges confronting companies who wish to secure trademarks in the region. The results of our analysis were surprising.

Between 2004 and 2009, trademark applications in India increased 64%. In 2004-2005, a total of 78,996 applications were filed; by 2008-2009, that number had risen to 130,172. The greatest increase came in 2007-2008, when applications rose by more than 20,000 over the previous year – a nearly 20% increase in one year alone.

But it's not opportunistic western companies who are driving this growth. Instead, 86% of all trademarks filed in 2008-2009 were filed by Indian firms. In fact, the number of Indian trademark applications has grown steadily – from 63,906 in 2004-2005 to 119,371 in 2008-2009 – while the number of foreign applicants has declined over the same time period. Foreign trademark applicants reached 15,209 in 2006-2007, but the

number fell to just 6,500 the following year, then increased again to 10,801 in 2008-2009. The volatility of foreign filers stands in stark contrast to the continued upward trend of Indian filers over the same period.

In addition, trademark applications and registrations are growing in relation to other types of intellectual property registrations, including patents, designs and geographical indications of goods; 75% of total intellectual property applications in India in 2008-2009 were for trademarks.

Also notable is the fact that the number of trademarks accepted and registered has been on the rise: from less than 57% of all applications in 2004-2005 to nearly 79% of all applications in 2008-2009.

The primary driver of India's trademark surge has been the pharmaceutical industry, which accounted for approximately 11% of all Indian trademark applications in 2008-2009. Currently, India is home to the world's second largest pharmaceutical industry by volume, though it ranks fourteenth in terms of value due to the predominance of low-cost generic drugs. While the region's pharmaceutical industry accounts for only 1% to 2% of worldwide market share, estimates project that India accounts for as much as 33% of the global market for generic drugs.

The second most common class of trademarks in India is the electrical and scientific apparatus category, which includes a wide range of devices ranging from computers to cameras to automatic vending machines. Among the top companies filing the most trademark applications in 2008-2009 were Ajanta Pharmaceuticals, Raheja, Organising Committee Commonwealth Games 2010 Delhi, Reliance Big Entertainment PVT Ltd and Zee Laboratories.

While a number of factors have contributed to India's intellectual property revolution, a key driver has been the country's ongoing efforts to modernise its legal infrastructure. India has adopted a number of key international trademark classifications and registration structures and is pursuing others that will help drive innovation forward.

India's recent adoption of the Nice

Classification (9th Edition) and its decision to ratify the Madrid Protocol by the end of 2010 mark significant steps forward in enabling international registration of Indian trademarks. As these initiatives take root, it is expected that the number of foreign trademark applications will begin to increase.

Under the Nice Classification, India has added trademark classes and modified existing classes in order to better conform to global standards pertaining to filing a trademark. Adoption of the World Intellectual Property Organisation-sanctioned Madrid Protocol offers a low-cost method of registering and renewing trademarks in other participating countries. Once the Madrid Protocol is adopted, multinational brand owners will be able to designate India when filing international trademark applications and Indian companies will be able to file for international protection of their marks more easily and cost-effectively, promoting global expansion of their brands.

The last two decades of Western job outsourcing has led to a thriving Indian economy. Stepping forth from that economy is a fresh middle class, brimming with young, well-educated professionals who constitute one of the most appealing consumer demographics in the world. Now, with a new focus on proprietary IP, India is poised to put this demographic to work for itself.

With trademark applications on the rise and the country's overall effort to encourage intellectual property seemingly a top priority, India has asserted itself as a serious player in the world economy. By adopting internationally-recognised protocols, India is enhancing the credibility of its trademark system and rapidly remaking itself as a hub of global commerce.

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